

Basic Allowance for Housing Rates Announced for 2005

The Department of Defense released the 2005 Basic Allowance for Housing (BAH) rates Dec. 14.

The 2005 rates represent the final phase in a series of steps taken to bring the average member's out-of-pocket expense to zero.

Out-of-pocket expense, the portion of the typical member's housing cost that the member is responsible for, has been reduced from 3.5 percent last year to zero.



Three components are included in the BAH computation:

- Median current market rent
- Average utilities (including electricity, heat, and water/sewer)
- Average renter's insurance

For members with dependents, average increases in the BAH are approximately 8 percent. A typical E-4 with dependents, for example, will find his/her BAH about \$47 per month higher than last year. An E-8 with dependents will have about \$60 more in his/her paycheck.

In total, the planned increase in housing allowance funds for fiscal year 2005 is about \$2.5 million more than in fiscal year 2004.



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